

FALCON AREA WATER AND WASTEWATER AUTHORITY
1700 Lincoln Street
Suite 2000
Denver, CO 80203

August 31, 2022

Jim Byers
Challenger Homes
8605 Explorer Drive Suite 250
Colorado Springs, Colorado 80920

RE: Commitment Letter for Sterling Ranch Filing No. 4-Final Plat

Dear Jim:

This commitment is for the above Final Plat known as Sterling Ranch Filing No 4. The subdivision includes 159 lots of which 143 lots meet the criteria for high density equivalency. Of the 159 lots, 11 lots (147 -157) are replats of lots 22-32 from Sterling Ranch Filing No. 2 for which final water has already been committed. Additionally, the water being committed for the new lots has already been preliminarily committed in Sterling Ranch Preliminary Phase Two (commitment letter February 26, 2021) therefore no new water is being committed by this assignment.

Falcon Area Water and Wastewater Authority will provide central water and sewer service to the above-named subdivision which includes approximately 159 single family lots (11 of which are replated), and an estimated 2.667 acres of active irrigated landscaping. In response to the trend towards high density housing on small lots, FAWWA has modified its water supply ratios to accommodate the trend in land use.

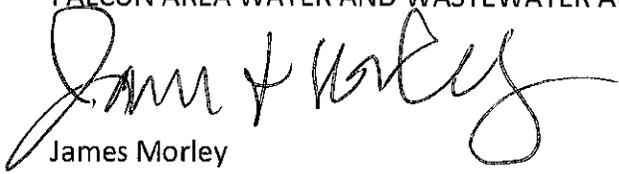
SFE Equivalency for High Density Lots

Lot Size	SFE Ratio	Effective Annual Demand
Lots < 2000 SF	0.65	0.23
Lots < 3500 SF	0.75	0.265
Lots < 7000 SF	0.90	0.318
Lots > 7000 SF	1.0	0.353

FAWWA's base SFE allocation remains at 0.353 AF/SFE, but the above table allows for consideration of the water efficiency for high density lots. The amount of water set-aside will be 53.91 acre-feet/year, given that 3.883 Acre feet were previously committed for the lots being re-platted. The wastewater commitment is for 27,348 gal/day on an average daily-maximum monthly basis which capacity was also committed via February 26, 2021.

Sincerely,

FALCON AREA WATER AND WASTEWATER AUTHORITY

A handwritten signature in black ink, appearing to read "James Morley". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James Morley
Board President

cc: Andrea Barlow